

Economic Injury Disaster Loans (EIDL) — SBA Disaster Loan Assistance:

ONLINE APPLICATION:

<https://disasterloan.sba.gov/>

PROGRAM SUMMARY VIDEO:

[SBA Disaster Relief Overview VIDEO](#)

PURPOSE:

The SBA will provide targeted, low-interest loans to small businesses and non-profits that have been severely impacted by the Coronavirus (COVID-19). The SBA's Economic Injury Disaster Loan program provides small businesses with working capital loans of up to \$2 million that can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing.

ELIGIBILITY:

- A small business concern
- Most private non-profits of any size

CREDIT REQUIREMENTS:

- Credit History – Applicants must have a credit history acceptable to SBA.
- Repayment – Applicants must show the ability to repay the loan.
- Collateral – Collateral is required for all EIDL loans over \$25,000. SBA takes real estate as collateral when it is available. SBA will not decline a loan for lack of collateral, but SBA will require the borrower to pledge collateral that is available.

INTEREST RATES:

The interest rate is determined by formulas set by law and is fixed for the life of the loan. The maximum interest rate for this program is 3.750 percent.

LOAN TERMS:

The law authorizes loan terms up to a maximum of 30 years. SBA will determine an appropriate installment payment based on the financial condition of each borrower, which in turn will determine the loan term.

PRINCIPAL AND INTEREST:

Deferred payment of Principal and Interest may be granted for up to 4 years.

LOAN AMOUNT LIMIT:

The law limits EIDLs to \$2,000,000 for alleviating economic injury caused by the disaster. The actual amount of each loan is limited to the economic injury determined by SBA, less business interruption insurance and other recoveries up to the administrative lending limit. SBA also considers potential contributions that are available from the business and/or its owner(s) or affiliates. If a business is a major source of employment, SBA has the authority to waive the \$2,000,000 statutory limit.

LOAN ELIGIBILITY RESTRICTIONS:

Noncompliance – Applicants who have not complied with the terms of previous SBA loans may not be eligible. This includes borrowers who did not maintain required flood insurance and/or hazard insurance on previous SBA loans. **NOTE:** Loan applicants should check with agencies / organizations administering any grant or other assistance program under this declaration to determine how an approval of SBA disaster loan might affect their eligibility. For Instance, Borrowers who receive SBA Economic Injury Disaster Loans (EIDLs) are not eligible to receive Paycheck Protection Plan Loans (Stimulus Package).

REFINANCING:

Economic injury disaster loans cannot be used to refinance long term debts.

REQUESTED DOCUMENTATION:

You will first need to fill out and upload a Business Loan Application (Form 5) and an Economic Injury Disaster Loan Supporting Information form (Form P-019). A Loan Officer may request some or all of this information below. You will be asked to fill out forms online and upload them to the SBA portal throughout the process.

- Legal name, address, Federal Employer Identification Number (EIN), business phone number
- The date the entity was established and the years under current management
- The names and contact information of the individuals whom SBA can contact for a Loss Verification Inspection and additional information necessary to process the application
- Name, address, social security number, date of birth, title, phone number, email address and business ownership percentage for each owner of the business
- If any owner of the business applying also owns a more than 50% interest in another business, you must be prepared to provide the name, address, EIN and your ownership % of each of those businesses
- If the business applying for the SBA Disaster Loan has a greater than 50% ownership interest in another business entity you must be prepared to provide information about that entity
- Personal Financial Statements must be completed for each owner of the business; the following is needed to complete the Personal Financial Statement:
 - A listing of investments owned (# of shares, description, share price)
 - A listing of real estate owned, related

- mortgage, monthly payment
- Name, address and account number of the mortgage holder is required
- The value of cash, receivables, personal property
- The amount of payables and other debts
- The amount of liabilities that you are contingently liable for (i.e. what is the dollar value of loans that you guarantee)
- A schedule of liabilities must be completed for the business, i.e. outstanding business loans
- Transcript of the tax returns for the business applying, each of the businesses that you own more than 50% of and a transcript of each owner's individual tax returns
- Required signatures of the appropriate taxpayers and the signed form can be uploaded to the SBA site

IMPORTANT CONTACTS:

SBA is urging applicants to apply directly through the SBA online at

<https://disasterloan.sba.gov/ela>.

Applicants may also call SBA's Customer Service Center at (800) 659-2955 or email disastercustomerservice@sba.gov for more information on SBA disaster assistance.